

For each complete 0.1 percent shortfall in HP section efficiency below 92.4 percent the guaranteed efficiency (corrected for actual operating conditions), ALSTOM will pay \$75,000 (this value equates to slightly over \$250,000 per MW shortfall caused by efficiency shortfall). ~~Assumed pressure drop across the stop and control valves is 3.0 percent in all cases.~~ Testing tolerance of 0.3 percent shall be applied prior to assessing liquidated damages.

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ALSTOM shall be awarded a cash incentive of \$15,000 for each complete 0.1 percent in performance that is confirmed by the performance test results above 92.4 percent the guaranteed efficiency (corrected for actual operating conditions), up to a maximum performance cash incentive of \$200,000. No testing tolerance shall be applied above 92.4 percent the guaranteed efficiency (corrected for actual operating conditions), prior to calculating the performance incentive.

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For each complete 0.1 percent main steam flow in excess of 6.975 Mlb/h ALSTOM will pay \$15,000. (This value is derived on the basis that the power loss due to operation at reduced pressure if the turbine is made oversized by 0.1 percent is only one-fifth of the power loss due to flow restriction if the turbine is made undersized by the same amount).

For each complete MW shortfall (and pro rata for each portion thereof) in HP shaft power (corrected for actual operating conditions) below the guaranteed figure, attributed to shortfall in flow below 6.9Mlb/h, ALSTOM will pay \$250,000. A testing tolerance equal to the mutually agreed measurement uncertainty shall be applied to the measured HP shaft power (corrected for actual operating conditions), taking into full consideration the calibration and inspection status of the condensate flow nozzle and other test instrumentation prior to assessing liquidated damages. The minimum testing tolerance on HP shaft power is expected to be 0.5% subject to the use of test accuracy flow metering.

Should IPSC decide to substitute the HP shaft power guarantee with an HP swallowing capacity guarantee, then for each complete 0.1% main steam flow shortfall below 6.9 Mlb/h (corrected for actual operating conditions) ALSTOM will pay \$75,000. A testing tolerance equal to the mutually agreed measurement uncertainty shall be applied to the measured HP capacity (corrected for actual operating conditions), taking into full consideration the calibration and inspection status of the condensate flow nozzle and other test instrumentation prior to assessing liquidated damages.